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FOR IMMEDIATE RELEASE

Terry Goddard Announces Money from Fraud Prosecution Will Fund New Crime Lab

(Phoenix, Ariz. -- Dec. 27, 2006) Attorney General Terry Goddard and Gov. Janet Napolitano today announced that \$17.7 million in forfeited funds from a major fraud case will be used to build a new Department of Public Safety Crime Lab in Tucson.

The announcement was made at a press conference this afternoon in Tucson. Joining the Attorney General and Governor were Arizona State Senate President Tim Bee, DPS Director Roger Vanderpool and county sheriffs.

"It is highly appropriate that proceeds of criminal activity should go to fund this much-needed law enforcement resource," Goddard said.

One of the crime lab's essential tasks will be forensic DNA analysis. The Arizona Department of Public Safety has been a national leader in using advanced DNA techniques for analyzing crime scene evidence. Because of space and equipment limitations, DPS currently has a significant backlog of DNA cases, which the new Tucson Crime Lab will help alleviate.

The \$17.7 million comes from the prosecution by the Attorney General's Office of C.P. Direct, a Scottsdale-based company that marketed fake nutritional supplements. The company claimed some of its products would enlarge male sex organs and women's breasts.

The company's three principals pleaded guilty in 2003 to charges of fraud and money laundering. They agreed to forfeit personal and business assets obtained from their illegal business activities. Fraud is included in the state racketeering statute, which makes all criminal proceeds subject to forfeiture. Those funds can be used for a variety of law enforcement purposes.

A portion of the forfeited funds was used to compensate consumers who purchased the supplements. Some 25,000 checks totaling more than \$4 million were sent out earlier this year.

Another \$2 million from the C.P. Direct proceeds is going to the Victim Compensation and Assistance Fund, Goddard said. That account is administered by the Arizona Criminal Justice Commission.

Completion of the new crime lab is projected for January 2009.

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